

Message Text

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ORIGIN EB-02

INFO OCT-01 ARA-02 ADP-00 /005 R

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R 060041 Z APR 73

FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES

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FOLLOWING SENT ACTION SECSTATE WASHDC INFO SANTIAGO MARCH
29, 1973 FROM LA PAZ IS REPEATED TO YOU: QUOTE

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E. O. 11652: N/ A

TAGS/ EAID, BL.

SUBJ C PL 480 TITLE I AGREEMENT

REF: STATE 031691; LA PAZ 1351

1. ECONOFF INFORMED MININD/ COM OFFICIAL APPLICATION FOR SECOND
PA SHOULD BE MADE AS SOON AS POSSIBLE IN ORDER TO INSURE WHEAT
DELIVERIES BEGIN UNDER IT ON JULY 1.

2. SAME OFFICIAL STATED BIDDING COMPLETED UNDER FIRST PA (FOR
29,100 M. T.) WON BY COOK AT ABOUT\$94.00/ M. T. F. O. B. FULF PORT.
ADDED BIDDING ON 20,000 M. T. ARGENTINE FLOUR ALSO IN FINAL STAGE
AND THIS FLOUR EXPECTED BEGIN ARRIVING BY MID- APRIL (COST WILL
BE ABOUT \$135.10 C. I. F. AT BOLIVIAN FRONTIER). MEANTIME, SOME
WHEAT FOR BOLIVIA REMAINS IN CHILEAN PORTS DUE TO INABILITY OR
UNWILLINGNESS CHILEANS PROVIDE TRAIN TRANSPORT. (THIS OFFICIAL
REMARKED THAT CHILEAN PORT SITUATION WORSENING AND THAT
INSURANCE COMPANIES EITHER WILL NO LONGER COVER HANDLING OF
MERCHANDISE THROUGH THESE PORTS OR ARE CHARGING EXTREMELY HIGH
PREMIUMS).

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3. OFFICIAL PROMISED SEND ECONOFF LETTER ASAP SIGNED BY MINISTER CLARIFYING GOB INTENTIONS RE TOBACCO IMPORTS. BELIEVE LETTER WILL ASK AMENDMENT TO AGREEMENT TO ELIMINATE TOBACCO.

4. MIND/ COM OFFICIAL SAID WISHED HAVE FINAL MEETING WITH VEGETABLE OIL PROCESSERS TO TRY AVOID ANY PROBLEMS SIMILAR TO THOSE THAT HAVE ARIS SATISFACTORY ARRANGEMENTS WITH THE MEKONG COMMITTEE. WITHOUT HAVING BANK STUDY IN HAND DO NOT FEEL IT IS NOW APPROPRIATE TO SPELL OUT ALL OF US CONDITIONS AT THIS TIME INASMUCH AS MANY OF THEM MAY BE DISPOSED OF IN IBRD REPORT AND THE ADB' S SUBSEQUENT FOLLOW- UP OF PROPOSAL TO DONORS. DURING INFORMAL DISCUSSIONS YOU CAN NOTE THAT WE ENVISAGE A CONCESSIONAL LOAN OF UP TO 5 MILLION DOLS, DEPENDING ON TOTAL COST AND SUBJECT AVAILABILITY OF FUNDS, WITH SOME PROVISION TO ASSURE THAT PROCUREMENT IN THE U. S. IS PROPORTIONAL TO U. S. CONTRIBUTION EITHER THROUGH SELECTION OF APPROPRIATE ELEMENTS OF THE PROJECT FOR U. S. FUNDING OR OTHER ARRANGEMENT.

(B). PIONEER AGRICULTURAL PROGRAM. CARGILL OF IBRD HAS ALREADY INFORMALLY TOUCHED BASE WITH POTENTIAL DONORS TO CONSTRUCTION PHASE DURING PAKISTAN CONSORTIUM MEETING IN PARIS AND SUBSEQUENT MEETING IN DACCA. AS YET WE HAVE NO REPORT OF THESE INITIAL SOUNDINGS. BANK IS PROPOSING 25 MILLION DOLS CONSTRUCTION FUND OF GRANT NATURE BE ESTABLISHED BY END THIS YEAR. IN ADDITION WILL RECOMMEND ESTABLISHMENT OF 1-2 MILLION DOLS TECHNICAL ASSISTANCE FUND FOR MONITORING PROJECTS CONSTRUCTION AND OPERATION. BANK HAS AGREED CONTRIBUTE TO TA FUND. IN PARA 2 REF (B) USG HAS ALREADY NOTED ITS WILLINGNESS TO PARTICIPATE IN CONSTRUCTION ASPECTS OF PIONEER PROJECTS PROGRAM, SUBJECT AVAILABILITY OF FUNDS AND WORKING OUT OF SATISFACTORY ARRANGEMENTS WITH MEKONG COMMITTEE. SINCE IBRD STILL HAS NUMBER OF INTERNAL MATTERS TO RESOLVE AS WELL AS REACTIONS OF OTHER DONORS TO SORT THROUGH, BELIEVE IT PROBABLY PRE-MATURE TO OFFER ANY USG STATEMENT AS TO THE EXACT TERMS AND CONDITIONS OF THE U. S. COMMITMENT.

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(C). PA MONG. WE DO NOT CONCUR WITH STATEMENT MAILED TO SA/ RD NORDO WE SEE ANY NEED FOR US COMMENT AT THIS TIME REGARDING U. S. SUPPORT, OR LACK OF SUPPORT, OF PA MONG

DESIGN AND CONSTRUCTION. IF SUBJECT SHOULD ARISE IT SHOULD BE SUFFICIENT AT THIS TIME TO MERELY REITERATE OUR FINANCIAL SUPPORT TO THE PA MONG OPTIMIZATION AND DOWN-STREAM EFFECTS STUDY, FOR WHICH WE HOPE THE MCC WOULD IDENTIFY PRIORITIES IN THE MASTER LIST OF RECOMMENDED STUDIES AND TO WHICH WE WOULD HOPE OTHER NATIONS, INCLUDING THE RIPARIAN MEMEBERS, WOULD CONTRIBUTE FINANCIALLY.

(D). PREK THNOT. APPRECIATE YOUR RECOMMENDATION REGARDING PIONEER AGRICULTURAL PROJECT AT PREK THNOT, BUT BELIEVE IT HAS BEEN OVERTAKEN BY EVENTS. IBRD BELIEVES THEY HAVE FOUND A WAY TO INCLUDE PREK THNOT IN PIONEER PROJECTS PROGRAM WITHOUT UNDUE SLIPPAGE. IF DETAILS CAN BEWORKED OUT BANK INTENDS USE TAHAL FOR DEVELOPMENT OF 300 HECTARES ON FARM DEVELOPMENT SCHEME. IBRD PROJECT TO BE BELOW LATERALS AND INDEPENDENT OF MCC/ UN PROJECT AND PROJECT PREPARATION TO BE CARRIED OUT IMMEDIATELY BY TAHAL AS ADDITION THEIR CURRENT WORKLOAD. UNDER CIRCUMSTANCES BELIEVE IT BEST FOR USG IN INFORMAL DISCUSSIONS TO URGE IBRD INCLUSION OF PREK THNOT IN PIONEER PROJECTS PROGRAM.

(E). MY THUAN BRIDGE. THERE APPEAR TO BE NO FURTHER DEVELOPMENTS ON THIS PROJECT THAT WOULD WARRANT ANY DEPARTURE FROM THE US STATEMENT MADE AT THE SIXTIETH SESSION.

(F). ROLE OF MEKONG IN POSTWAR. IN STATEMENT AT SIXTIETH PLENARY U. S. ENDORSED CONCEPT OF AN EXPANDED ROLE FOR MCC IN POSTWAR ERA. YOU CAN ASSURE MCC OF U. S. INTEREST IN ANY RECOMMENDATIONS MCC OR OTHERS MIGHT MAKE CONCERNING CONTRIBUTIONS MCC COULD MAKE TO POSTWAR PROGRAMS.

(G). NO OBJECTION RED' S INDICATING CONTINUED US SUPPORT TO PROGRAM AND ENUMERATING INSTANCES OF U. S. CONTRIBUTIONS AS APPROPRIATE AND AS SUGGESTED PARA 9 REF A. RUSH UNQUOTE ROGERS

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*** Current Classification *** LIMITED OFFICIAL USE

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